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Equal Opportunity Housing and Equal Opportunity Employment

January 15, 2013

Secondary Financing Exemption Letter

To Whom It May Concern:

Pursuant to Mortgagee Letter (ML) 2012-14, the United States Department of Housing and Urban Development (HUD) announced that it deems entities that have Internal Revenue Code Section 115 status to be "instrumentalities of government" for the purpose of providing secondary financing under single family FHA programs. Entities providing proof of Section 115 status need not meet the "instrumentalities of government" test otherwise required and need not be included on HUD's Nonprofit Organization Roster in order to operating a secondary financing program. ML 2012-24 permits proof of Section 115 status to be demonstrated by a written statement from the organization's general counsel.

The Minnesota Housing Finance Agency is an agency of the State of Minnesota and is exempt from federal income taxation pursuant to Section 115 of the Internal Revenue Code. Therefore, the Minnesota Housing Finance Agency is a Section 115 entity and should be treated as an "instrumentality of government" for purposes of FHA's secondary financing program.

Sincerely,

A handwritten signature in black ink, appearing to read "Paula K. Beck", followed by a long horizontal flourish.

Paula K. Beck
General Counsel